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FOR IMMEDIATE RELEASE

INSURANCE COMMISSIONER ISSUES NOTICE REGARDING SURPLUS DEFICIENCY TO LEGAL MUTUAL INSURANCE SOCIETY OF MARYLAND

Baltimore, MD (November 3, 2008)...Maryland Insurance Commissioner Ralph S. Tyler issued today a statutory notice of deficiency to Legal Mutual Liability Insurance Society of Maryland. The notice was issued because the company's surplus has dropped below the minimum amount they are required to maintain by law. The notice gives the company 60 days to cure the deficiency.

"The deficiency in surplus funds was caused primarily by worse than expected developments in claims incurred on policies written prior to October 1, 2006, as well as losses in the company's equity investment portfolio" said Tyler.

Despite the deficiency, Tyler noted that all policies written or renewed by Legal Mutual since November 1, 2006 are 100% reinsured by Minnesota Lawyers Mutual Insurance Company, a company in good standing. The Legal Mutual Board and management has advised the Insurance Commissioner that they are considering several options to address the surplus deficiency.

The deficiency notice is on the MIA's website.

The Maryland Insurance Administration (MIA), founded as the Maryland Insurance Division in 1872, is an independent State agency located in downtown Baltimore. This agency regulates Maryland's \$26 billion insurance industry and makes certain that insurance companies, health plans and producers (agents and brokers) comply with Maryland insurance law. The MIA also licenses over 110,000 producers and approximately 1,500 insurance companies, regulates insurance rates, monitors insurer solvency, investigates consumer complaints and travels across the State providing consumers with educational materials on insurance. These materials may also be found at www.mdinsurance.state.md.us.